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SUBJECT: AUSTRIAN MEDIA HIGHLIGHTS: November 27, 2006

Bank Investigative Committee: New Squabble

11. The investigative committee looking into recent banking scandals in Austria continues to strain domestic politics. Following publication of an expert opinion last week, which found the banking committee is not authorized to investigate the Austrian Financial Markets supervisory Agency, information has emerged that Finance Minister Karl-Heinz Grasser allegedly issued a directive obliging Finance Ministry employees to secrecy. The Ministry dismissed the allegations, saying Grasser merely pointed out that ministry employees' statements would be treated confidentially by the committee.

Like all major Austrian media, ORF online news reports that committee chairperson Marin Graf from the FPÖ claims Parliament has been sent a letter by the Finance Minister committing his employees to secrecy before the investigative committee. Should Grasser not rescind this directive, Graf warned, he would ask Parliament to consider the issue, and push for a motion of distrust against the Minister. Graf is also contemplating taking the matter up with President Heinz Fischer, ORF online news says. Grasser, however, has dismissed the allegations as "definitely not true," stressing the letter in question merely contained the information that ministry employees were relieved of their duty of discretion, as their statements before the committee would be treated confidentially anyway. Minister Grasser and his predecessor Rudolf Edlinger will be interviewed by the committee today.

Austria Cards for Immigrants?

12. Interior Minister Liese Prokop has suggested introducing a document aiming at guaranteeing controlled and temporary immigration to Austria. This is to be achieved by issuing a so-called "Austria Card," which would give migrants permission to reside and work in Austria legally for up to one year. While the Austrian Unions Association (OeGB) welcomed the Minister's proposal, the opposition Greens have harshly criticized the move.

Mass-circulation daily Kurier writes that OeGB boss Rudolf Hundstorfer, speaking on ORF TV on Sunday, said the Interior Minister's suggestion to introduce an "Austria Card" for legal immigrants was something that "could be discussed." The country definitely needs "measures to control immigration," he added. Greens' human rights spokesperson Terezija Stoisits harshly criticized the Minister's proposal as "further radicalization of the OeVP," which smacked of an FPÖ idea. Prokop's plan would only result in a "massive expansion of the seasonal workers' model," and would bring migrants into the country for a limited period of time, without offering them any social insurance benefits. It is an "excessive model of social dumping and two-class migration,"

Stoisits complained.

Mass-Exodus from Iraq

13. In the face of escalating sectarian violence in Iraq, up to 3,000 Iraqis leave their country every day for Jordan or Syria, among them many medical doctors, university professors and teachers. Their actions are a clear declaration of their assessment regarding the situation in the country and its potentially bleak future - at a time when Washington is still debating whether conditions in Iraq should be labeled a civil war or not, a UNHCR spokesperson warned in Vienna.

Centrist daily Die Presse in a front-page report writes about the "daily exodus from Iraq," which has been triggered by the ongoing violence in the country. Roland Schoenbauer, spokesperson for the UN High Commissioner for Refugees in Vienna, said that 1.8 of the 27 million Iraqis have already left the country, with the majority moving to Jordan and Syria, but some also applying for asylum in industrialized nations. It is Iraq's intellectuals in particular, doctors, university professors and graduates, as well as businesspeople, who have turned their backs on their country in exchange for a safer place to live -- the people who were meant to help in building the invasion advocates' new Iraq, the Presse says, adding that this massive "brain drain" is likely to crush all hopes of a quick improvement of the situation in Iraq. In addition, Syria and Jordan have been forced to deal with the massive influx of refugees, and the two countries are also concerned the conflict could spread to their territories.

Meanwhile, in independent provincial daily Salzburger Nachrichten, German Middle East expert Michael Lueders argues that the United States' Iraq policy has failed, and that Washington's anti-terror war has boosted radical Islamists. The war on terror has contributed to the fact that "all liberal and secular factions and movements in the Arab-Islamic world have been put on the defensive," while "Islamic fundamentalists have expanded their influence on an unprecedented and previously inconceivable scale" in the region." Lueders, long-term commentator for Hamburg weekly Die Zeit, does not believe in Washington's recently announced change of strategy for Iraq, the daily adds. For the duration of President Bush's term of office, a fundamental reorientation of US foreign policy cannot be expected, he says.

Israeli, Palestinian Leaders Committed to Truce

14. Israeli and Palestinian leaders have said they are committed to a ceasefire for the Gaza Strip, despite Palestinian rockets having been fired on Israel. Israeli Premier Ehud Olmert said Israel would show patience and restraint, although the rockets were fired from Gaza after the truce began. The move is seen as a new hope for peace in the Middle East by some Austrian media.

According to liberal daily Der Standard and other Austrian media, the Israeli government's decision to uphold the cease-fire gives rise to new hope that the Mideast peace process might be revived. An Israeli government spokesperson stressed that the violations of the truce by the Palestinians were "hopefully no more than initial problems." Premier Olmert was committed to giving the accord a chance. His country could afford to not only show strength in combat, but also when it comes to moderation, the spokesperson added. Olmert also said he was hopeful the cease-fire might extend to the West Bank, and that "responsibility and good will can lead to the launch of serious negotiations, which, I hope, will begin soon."

Jordanian King Concerned over Mideast Development

15. King Abdullah of Jordan has warned conflict could be spreading across the Middle East next year. Speaking on American television days before US President Bush is set to visit the region, he urged world leaders to act to avert a crisis.

ORF radio early morning news Morgenjournal quotes Jordan's King Abdullah as warning in an interview on American television that the Middle East situation could deteriorate further: "We are juggling with the potential of three civil wars in the region, whether it is the Palestinians, or that of Lebanon or in Iraq. I hope my discussions with the President will lead us to provide whatever we

can do for the Iraqi people. But at the same time, we do want to concentrate on the core issues, which we believe are the Palestinians and the Palestinian peace process, as well as the tremendous concern we've had over the past several days over what is happening in Lebanon," ORF radio quotes King Abdullah.

The Putin Regime

¶6. In an interview with an Austrian daily, ORF Washington correspondent Susanne Scholl describes her difficult and dangerous work in Russia and surrounding countries and analyzes the Russian President's regime, and corruption and power struggles among the Russian political elites.

In an interview with mass-circulation provincial daily Kleine Zeitung on November 26, ORF Moscow correspondent Susanne Scholl says the alleged poisoning of former Russian spy Alexander Litvinenko has cast further suspicion on President Putin. "Contract murders and restrictions of democratic freedoms have occurred for years, but these days the situation seems to be escalating," Scholl says, and points to two upcoming important political decisions in Russia: the 2007 parliamentary and the 2008 presidential elections. With these two major events approaching, "the government cannot afford any critical reporting. This is also the case in connection with Chechnya: Officially the word from Moscow is that the 'anti-terrorist operations' there have been concluded. There's peace in Chechnya, and the country is being rebuilt. Although there are some visible reconstruction efforts going on, human rights are being trampled on, there is no rule of law, and the unemployment rate is about 90 percent," Scholl explains. Litvinenko's death, definitely connected with the murder of journalists Anna Politovskaya, fits the picture of a deteriorating political situation in Russia: "There are huge power struggles going on among the political elites. Corruption has risen alarmingly, and so has bureaucracy. Democratic rules, insofar as they exist at all, are no more than decoration, and are not adhered to at all," according to the correspondent.

McCaw